

**HOME OWNERSHIP
FACT SHEETS**

Understanding Your Obligations As A Borrower

Leona K. Hawks, Professor, Extension Housing Specialist
Tawnee McCay, Family Life Center Director

FL/HO-25

April 2002

- ◆ Pay your monthly mortgage payments on time
- ◆ Failure to make payments may result in foreclosure
- ◆ Make sure you know the terms of your loan
- ◆ Make sure you know when your payments are due each month
- ◆ Make sure you know where to send your payments
- ◆ Know how late your payments can be without triggering a late fee
- ◆ If you have an adjustable-rate mortgage, know how far ahead of time will you be notified if payment has increased

How To Avoid Foreclosure

“Foreclosure is the legal means that a lender may use to take possession of your home if you fail to make your payments.”

What To Do If You Are Having Financial Problems

- ◆ Contact your lender immediately to discuss the situation
- ◆ Be able to explain why you are past due
- ◆ Have a plan for how you will get caught up
- ◆ Contact a housing counseling agency
- ◆ The lender or servicing agent should work with you provided the lender believes that you are acting in good faith and that some temporary assistance will resolve the problem
- ◆ Beware of equity skimmers

What are some of the expenses that you may face as a homeowner that you never had as a renter?

- ◆ Repairs
- ◆ Lawn and garden equipment
- ◆ Snow removal equipment
- ◆ Sewer and water bills
- ◆ Pest control
- ◆ Power tools
- ◆ Washer and dryer
- ◆ Trash cans

- ◆ Trash collection
- ◆ Other expenses

Assume you have \$1,000 to spend on repairs and improvements. How would you prioritize these projects?

- ◆ Repair roof after several shingles blew off during a storm
- ◆ Replace older electric water heater with new, energy-efficient gas water heater, anticipated energy savings \$18/month
- ◆ Replace drafty storm windows
- ◆ Replace carpeting that has excessive stains
- ◆ Build a deck for leisure and entertainment

Utah State University is committed to providing an environment free from harassment and other forms of illegal discrimination based on race, color, religion, sex, national origin, age (40 and older), disability, and veteran's status. USU's policy also prohibits discrimination on the basis of sexual orientation in employment and academic related practices and decisions.

Utah State University employees and students cannot, because of race, color, religion, sex, national origin, age, disability, or veteran's status, refuse to hire; discharge; promote; demote; terminate; discriminate in compensation; or discriminate regarding terms, privileges, or conditions of employment, against any person otherwise qualified. Employees and students also cannot discriminate in the classroom, residence halls, or in on/off campus, USU-sponsored events and activities.

This publication is issued in furtherance of Cooperative Extension work. Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Jack M. Payne, Vice President and Director, Cooperative Extension Service, Utah State University. (EP/DF/04-02)